

From: Jim Acker
To: Microsoft ATR
Date: 12/31/01 2:36pm
Subject: Settlement

I am writing this email to express my concern over the proposed settlement between the DOJ and Microsoft Corporation. It seems to me that the settlement does not directly address the points on which Microsoft was found guilty. Any settlement should address these points in a manner that at a minimum prevents the behavior from continuing, and where possible, provides payment to parties damaged by the past behavior.

At the heart of Microsoft's business model is the extension of the Windows domination on the PC platform. They accomplish this in two ways; they strong-arm hardware vendors and they bundle applications into their Windows installation media to eliminate competition. On both these fronts, Microsoft was found guilty of monopolistic behavior. On the first issue, it appears that an effective settlement has been reached.

On the "bundling" front, the settlement is tough enough. For example, they are currently bundling the Microsoft Media Player with every copy of Windows. It is not an innovation, as it offers nothing that can't already be found in competing products in the market, e.g. Real Player and QuickTime. It has no valid operating system function. It is purely an application which gets enormous market share simply because it is included with Windows. It gains that market share w/o having to compete on it's own merits in the market. This was done with their browser, their media player and will be continued with future products under the guise of "innovation".

It is very hard to regulate the software business, but some remedy should be proposed that determines if a product is truly performing an operating system function or is an application. Where it is an application, why must it be "bundled" with the Windows operating system? Are there strong competing products already in the market? With such simple scrutiny, Microsoft would not have been allowed to bundle their browser or their media player into Windows.

Finally, on the subject of restitution for damages resulting from the behavior Microsoft was found guilty of, this seems to be miss the point. Giving lots of Microsoft products to schools around the country is from one perspective nothing more than an expensive marketing campaign for Microsoft. Hook the kids while they're young. A better solution would be to require hard cash payment in the form of grants to the various school districts to be used for the same purpose, with one important difference. The grants would have no strings attached regarding what type of hardware/software was purchased. If a school wanted to purchase all Apple products, then they would be allowed to do so.

Thank you for your consideration of my views.

CC: attorney.general@po.state.ct.us@inetgw